



Arnold Schwarzenegger  
Governor

July 19, 2010  
22M:384:ch:1084

Ms. Andrea T. Baker, Director  
Merced County Department of Workforce Investment  
1880 West Wardrobe Ave.  
Merced, CA 95340

Dear Ms. Baker:

AMERICAN RECOVERY AND REINVESTMENT ACT  
PROGRAM REVIEW  
FINAL MONITORING REPORT  
PROGRAM YEAR 2009-10

This is to inform you of the results of our review for Program Year (PY) 2009-10 of the Merced County Department of Workforce Investment's (MCDWI) activities funded by the American Recovery and Reinvestment Act of 2009 (ARRA). We focused this review on the following areas: program administration, local level monitoring, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and program operations including ARRA activities and participant eligibility.

This review was conducted by Ms. Carol Hammond from February 8, 2010, through February 11, 2010.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by MCDWI with applicable federal and state laws, regulations, policies, and directives related to the ARRA grant.

We collected the information for this report through interviews with MCDWI representatives, service provider staff, and ARRA participants. In addition, this report includes the results of our review of sampled case files, MCDWI's response to Sections I and II of the ARRA Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2009-10.

## BACKGROUND

For PY 2009-10, MCDWI was allocated: \$936,125 to serve adult participants; \$1,760,318 to serve youth participants; and \$1,793,404 to serve dislocated worker participants.

For the quarter ending December 31, 2009, MCDWI reported the following expenditures for its ARRA funded activities: \$668,823 for adult participants; \$2,118,871 for youth participants; and \$883,406 dislocated worker participants. In addition, MCDWI reported the following enrollments: 103 adult participants; 1 youth participant; and 157 dislocated worker participants. We reviewed case files for 22 of the 261 participants enrolled in ARRA funded activities as of February 8, 2010.

## PROGRAM REVIEW RESULTS

We conclude that, overall, MCDWI is meeting applicable ARRA requirements concerning its program operations.

### FINDING 1

**Requirement:** 20 CFR Section 667.275(a)(1) states, in part, that recipients must comply with the nondiscrimination and equal opportunity (EO) provisions.

WIAD07-6 states, in part, that initial and continuing notice of nondiscriminatory and EO practices must be made available to each participant. Included in each participant's file, a copy of acknowledgement of receipt must be signed by the participant. Where the participant's file is maintained electronically, a record of such notice shall be documented in the participant's file.

**Observation:** We observed that MCDWI is using a partial paperless system and as a result documents receipt of the EO/nondiscrimination policy on the back of the application only. We found that 21 out of 22 case files reviewed did not contain the signed acknowledgement of receipt of the EO/nondiscrimination policy.

Subsequent to the on-site review, MCDWI provided CRO copies of the 21 missing signed EO/nondiscrimination acknowledgement forms. We consider this issue resolved.

FINDING 2

**Requirement:** 20 CFR Section 667.600(a)(b) states, in part, that each direct recipient of WIA funds must establish and maintain a procedure for grievances and complaints.

Directive WSD08-4 states, in part, that a copy of a written description of the local grievance and complaint procedure shall include notification that the participant has the right to file a grievance or complaint at any time within a year of the alleged violation; instructions and timeline for filing a grievance or complaint; and notification that the participant has the right to receive technical assistance. Finally, a copy of an acknowledgement of receipt of the local grievance and complaint procedure shall be signed by the participant and included in each participant's case file.

**Observation:** We observed that MCDWI is using a partial paperless system and as a result documents receipt of the grievance and complaint procedures only on the back of their application. We found that 16 of 22 case files reviewed did not contain a copy of a signed acknowledgement of receipt of the grievance and complaint procedures.

Subsequent to the on-site review, MCDWI provided CRO documentation to substantiate all of the 16 missing signed acknowledgement forms. We consider this issue resolved.

FINDING 3

**Requirement:** OMB No. 1615-0047 identifies a list of the acceptable documents that may be used to verify an individual's right-to-work and take precedence over any State statute and regulation governing alien status determination. An individual's identity and employment eligibility must be verified.

WIA Section 188(a)(5) states, in part, that participation in programs and activities under this title shall be available to citizens and other immigrants authorized to work in the United States.

WIAD04-18 also states, in part, that the documentation of an individual's employability (right-to-work) must be conducted in compliance with Title 8 CFR Section 274a.2 which states the federal requirements and procedures persons or entities must

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comply with when hiring, or when recruiting or referring for a fee, or when continuing to employ individuals in the United States.

Observation:

We observed that MCDWI is using a partial paperless system and as a result documents eligibility only on the back of their application. We found one case file that contained insufficient documentation to establish program eligibility. Specifically, the case file contained documents to establish identity, (i.e. State issued photo I.D.), but did not contain documentation to establish Right-to-Work (RTW).

Subsequent to the on-site review, MCDWI provided CRO with a copy of the above participant's birth certificate which establishes RTW. We consider this issue resolved.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is MCDWI's responsibility to ensure that its systems, programs, and related activities comply with the ARRA grant program, federal and state regulations, and applicable state directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain MCDWI's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Jennifer Shane at (916) 654-1292.

Sincerely,



JESSIE MAR, Chief  
Compliance Monitoring Section  
Compliance Review Office

cc: Greg Gibson, MIC 50  
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